



Pension Plan

Employees' Retirement System
of Milwaukee County
Monthly Update
September 30, 2013

Total Fund Composite

Manager Status

Market Value: \$1,804.3 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
J.P. Morgan	Core Fixed Income	In Compliance	---
Mellon Capital	Core Fixed Income	In Compliance	---
Boston Partners	Large-Cap Value	In Compliance	---
Mellon Capital	Large-Cap Core	In Compliance	---
Artisan Partners	Mid-Cap Growth	In Compliance	---
Geneva Capital	Mid-Cap Growth	In Compliance	---
iShares Russell 2000 Value Index	Small-Cap Value	Termination	---
Fiduciary Management	Small-Cap Value	In Compliance	---
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	In Compliance	---
Barings	Non-U.S. Large-Cap Core	Termination	Performance
GMO Small-Cap	Non-U.S. Small-Cap Value	In Compliance	---
Barings EM	Emerging Markets	Termination	Performance
ABS	Hedged Equity Hedge FoF	In Compliance	---
K2	Hedged Equity Hedge FoF	In Compliance	---
American Realty Advisors	Core Real Estate	In Compliance	---
Morgan Stanley	Core Real Estate	In Compliance	---
UBS	Core Real Estate	In Compliance	---
IFM	Core Infrastructure	In Compliance	---
J.P. Morgan	Core Infrastructure	In Compliance	---
Adams Street	Private Equity	In Compliance	---
Siguler Guff	U.S. Private Equity FoF	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Market Value: \$1,804.3 Million and 100.0% of Fund

Ending September 30, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		1,804,318,523	-36,789,465	100.0	100.0	0
Fixed Income Composite		381,124,209	-25,133,153	21.1	22.0	-15,825,866
J.P. Morgan	Core Fixed Income	306,991,455	-25,125,772	17.0		
Mellon Capital	Core Fixed Income	74,132,754	-7,380	4.1		
U.S. Equity Composite		483,832,588	-785,091	26.8	25.0	32,752,958
Boston Partners	Large-Cap Value	145,365,115	-38,606	8.1	8.0	1,019,633
Mellon Capital	Large-Cap Core	121,325,056	-12,004	6.7	6.0	13,065,945
Artisan Partners	Mid-Cap Growth	61,040,984	-111,999	3.4	2.5	15,933,021
Geneva Capital	Mid-Cap Growth	49,320,904	-65,697	2.7	2.5	4,212,941
Fiduciary Management	Small-Cap Value	54,061,411	-86,457	3.0	3.0	-68,145
iShares Russell 2000 Value Index	Small-Cap Value	52,719,117	-470,328	2.9	3.0	-1,410,438
International Equity Composite		369,960,969	0	20.5	20.0	9,097,264
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	103,660,281	0	5.7	6.5	-13,620,423
Barings	Non-U.S. Large-Cap Core	118,181,037	0	6.5	6.5	900,333
GMO Small-Cap	Non-U.S. Small-Cap Value	92,026,009	0	5.1	4.0	19,853,268
Barings EM	Emerging Markets	56,093,641	0	3.1	3.0	1,964,086
Hedged Equity Composite		197,318,549	0	10.9	10.0	16,886,696
ABS	Hedged Equity Hedge FoF	99,871,605	0	5.5	5.0	9,655,678
K2	Hedged Equity Hedge FoF	97,446,944	0	5.4	5.0	7,231,018
Real Estate Composite		163,195,902	-2,093,049	9.0	8.5	9,828,828
American Realty Advisors	Core Real Estate	34,953,161	-502,099	1.9		
Morgan Stanley	Core Real Estate	111,443,337	-1,426,985	6.2		
UBS	Core Real Estate	16,798,980	-163,965	0.9		
Infrastructure Composite		132,088,178	-669,525	7.3	8.5	-21,278,897
IFM	Core Infrastructure	71,918,147	-271,933	4.0	3.5	8,766,999
J.P. Morgan	Core Infrastructure	60,170,030	-397,592	3.3	3.5	-2,981,118

Total Fund Composite

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Ending September 30, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Private Equity Composite		41,861,392	-2,012,145	2.3	6.0	-66,397,719
Progress	U.S. Private Equity FoF	26,220	0	0.0		
Brinson 1998	U.S. Private Equity FoF	70,827	0	0.0		
Brinson 1999	U.S. Private Equity FoF	349,037	0	0.0		
Brinson 2000	U.S. Private Equity FoF	897,145	-164,788	0.0		
Brinson 2001	U.S. Private Equity FoF	1,628,383	-196,802	0.1		
Brinson 2002	U.S. Private Equity FoF	1,107,339	-224,740	0.1		
Brinson 2003	U.S. Private Equity FoF	1,164,129	-111,377	0.1		
Brinson 2004	U.S. Private Equity FoF	1,541,625	-76,727	0.1		
Adams Street 2005	U.S. Private Equity FoF	6,996,568	-407,040	0.4		
Adams Street 2009	U.S. Private Equity FoF	14,156,853	583,151	0.8		
Adams Street 2012	Global Divers. Private Equity FoF	4,287,106	1,080,000	0.2		
Siguler Guff	U.S. Private Equity FoF	9,636,160	-2,493,822	0.5		
Total Cash Equivalents		34,936,737	-6,096,504	1.9	0.0	34,936,737

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$1,804.3 Million and 100.0% of Fund

Ending September 30, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	3.6%	5.1%	9.9%	12.1%	12.9%	8.8%	9.0%	7.7%	5.1%	7.5%
<i>Total Fund Benchmark</i>	2.9%	4.3%	8.9%	11.2%	12.2%	8.7%	8.9%	7.4%	4.9%	6.9%
Fixed Income Composite	0.8%	0.5%	-1.3%	-1.0%	2.1%	3.1%	4.7%	6.6%	5.5%	5.5%
<i>Barclays Aggregate</i>	0.9%	0.6%	-1.9%	-1.7%	1.7%	2.9%	4.2%	5.4%	5.1%	4.6%
U.S. Equity Composite	4.4%	7.6%	23.1%	24.1%	27.0%	16.5%	15.3%	11.1%	6.7%	8.9%
<i>Dow Jones U.S. Total Stock Market</i>	3.7%	6.2%	21.2%	21.4%	25.8%	16.8%	15.4%	10.7%	6.3%	8.3%
International Equity Composite	7.4%	9.9%	10.7%	16.7%	15.0%	6.4%	6.4%	5.5%	0.4%	4.1%
<i>MSCI ACWI ex USA Gross</i>	7.0%	10.2%	10.5%	17.0%	16.0%	6.4%	6.8%	6.7%	3.5%	9.2%
Hedged Equity Composite	3.2%	4.4%	11.7%	13.8%	10.6%	6.1%	--	--	--	--
<i>HFRX Equity Hedge Index</i>	1.4%	2.0%	6.7%	8.1%	5.3%	-1.1%	0.0%	-0.8%	-1.3%	0.3%
<i>Russell 3000</i>	3.7%	6.3%	21.3%	21.6%	25.8%	16.8%	15.3%	10.6%	6.1%	8.1%
<i>MSCI ACWI</i>	5.2%	7.9%	14.4%	17.7%	19.3%	10.2%	9.8%	7.7%	4.0%	7.9%
Real Estate Composite	3.7%	3.6%	10.8%	13.5%	12.6%	13.5%	13.5%	8.8%	2.7%	9.5%
<i>Custom Real Estate Benchmark</i>	0.0%	0.0%	6.1%	8.3%	9.4%	11.9%	12.7%	5.8%	1.8%	8.7%
<i>NFI</i>	0.0%	0.0%	6.1%	8.3%	9.4%	11.9%	10.4%	-0.9%	2.0%	5.7%
Infrastructure Composite	1.1%	1.6%	3.3%	6.0%	7.7%	7.9%	--	--	--	--
<i>CPI +4%</i>	0.3%	1.1%	4.9%	5.1%	5.4%	6.2%	6.0%	5.3%	6.1%	6.4%
Private Equity Composite	0.0%	0.1%	-0.1%	2.1%	7.4%	9.2%	10.5%	6.6%	7.6%	12.2%
<i>Venture Economics All PE</i>	0.0%	0.0%	0.0%	3.7%	8.9%	10.0%	11.4%	7.5%	7.8%	11.7%

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$1,804.3 Million and 100.0% of Fund

Ending September 30, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	3.6%	5.1%	9.9%	12.1%	12.9%	8.8%	9.0%	7.7%	5.1%	7.5%
<i>Total Fund Benchmark</i>	2.9%	4.3%	8.9%	11.2%	12.2%	8.7%	8.9%	7.4%	4.9%	6.9%
Fixed Income Composite	0.8%	0.5%	-1.3%	-1.0%	2.1%	3.1%	4.7%	6.6%	5.5%	5.5%
<i>Barclays Aggregate</i>	0.9%	0.6%	-1.9%	-1.7%	1.7%	2.9%	4.2%	5.4%	5.1%	4.6%
J.P. Morgan	0.7%	0.5%	-1.2%	-0.7%	2.3%	3.2%	4.4%	6.0%	5.3%	--
<i>Barclays Aggregate</i>	0.9%	0.6%	-1.9%	-1.7%	1.7%	2.9%	4.2%	5.4%	5.1%	4.6%
Mellon Capital	0.9%	0.5%	-2.0%	-1.8%	1.6%	2.8%	4.1%	5.3%	5.1%	4.6%
<i>Barclays Aggregate</i>	0.9%	0.6%	-1.9%	-1.7%	1.7%	2.9%	4.2%	5.4%	5.1%	4.6%
U.S. Equity Composite	4.4%	7.6%	23.1%	24.1%	27.0%	16.5%	15.3%	11.1%	6.7%	8.9%
<i>Dow Jones U.S. Total Stock Market</i>	3.7%	6.2%	21.2%	21.4%	25.8%	16.8%	15.4%	10.7%	6.3%	8.3%
Boston Partners	2.6%	5.0%	23.5%	25.3%	30.3%	18.6%	15.6%	11.4%	7.5%	10.5%
<i>Russell 1000 Value</i>	2.5%	3.9%	20.5%	22.3%	26.5%	16.2%	14.4%	8.9%	4.2%	8.0%
Mellon Capital	3.1%	5.2%	19.8%	19.3%	24.6%	16.2%	14.6%	10.0%	5.6%	7.6%
<i>S&P 500</i>	3.1%	5.2%	19.8%	19.3%	24.7%	16.3%	14.7%	10.0%	5.6%	7.6%
Artisan Partners	8.4%	15.7%	30.4%	32.3%	28.8%	20.7%	21.1%	17.3%	12.3%	12.5%
<i>Russell MidCap Growth</i>	4.9%	9.3%	25.4%	27.5%	27.1%	17.7%	17.8%	13.9%	8.3%	10.2%
Geneva Capital	5.9%	10.8%	22.9%	22.1%	--	--	--	--	--	--
<i>Russell MidCap Growth</i>	4.9%	9.3%	25.4%	27.5%	27.1%	17.7%	17.8%	13.9%	8.3%	10.2%
Fiduciary Management	5.4%	8.4%	25.5%	27.2%	27.5%	15.3%	--	--	--	--
<i>Russell 2000 Value</i>	5.8%	7.6%	23.1%	27.0%	29.8%	16.6%	15.4%	9.1%	5.4%	9.3%
iShares Russell 2000 Value Index	5.8%	7.7%	--	--	--	--	--	--	--	--
<i>Russell 2000 Value</i>	5.8%	7.6%	23.1%	27.0%	29.8%	16.6%	15.4%	9.1%	5.4%	9.3%
International Equity Composite	7.4%	9.9%	10.7%	16.7%	15.0%	6.4%	6.4%	5.5%	0.4%	4.1%
<i>MSCI ACWI ex USA Gross</i>	7.0%	10.2%	10.5%	17.0%	16.0%	6.4%	6.8%	6.7%	3.5%	9.2%
NTGI ACWI Ex-US	7.1%	10.4%	10.8%	17.2%	--	--	--	--	--	--
<i>MSCI ACWI ex USA IMI Gross</i>	7.1%	10.4%	11.0%	17.4%	16.1%	6.6%	7.1%	7.3%	3.7%	9.5%
Barings	5.9%	8.2%	11.8%	14.1%	14.1%	6.2%	6.3%	5.1%	--	--
<i>MSCI EAFE</i>	7.4%	11.6%	16.1%	23.8%	18.7%	8.5%	7.1%	6.4%	2.4%	8.0%
GMO Small-Cap	10.4%	14.4%	23.4%	36.1%	24.2%	14.0%	11.6%	--	--	--
<i>MSCI EAFE Small Cap Gross</i>	9.0%	15.6%	22.4%	29.8%	21.1%	11.6%	10.8%	11.8%	4.5%	10.7%
Barings EM	6.3%	5.8%	-7.2%	-1.6%	5.6%	-3.2%	--	--	--	--
<i>MSCI Emerging Markets</i>	6.5%	5.8%	-4.4%	1.0%	8.7%	-0.3%	4.5%	7.2%	5.9%	12.8%

Investment Manager

Annualized Performance (Net of Fees)

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Ending September 30, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Hedged Equity Composite	3.2%	4.4%	11.7%	13.8%	10.6%	6.1%	--	--	--	--
HFRX Equity Hedge Index	1.4%	2.0%	6.7%	8.1%	5.3%	-1.1%	0.0%	-0.8%	-1.3%	0.3%
Russell 3000	3.7%	6.3%	21.3%	21.6%	25.8%	16.8%	15.3%	10.6%	6.1%	8.1%
MSCI ACWI	5.2%	7.9%	14.4%	17.7%	19.3%	10.2%	9.8%	7.7%	4.0%	7.9%
ABS	3.3%	4.4%	12.5%	14.5%	9.7%	6.1%	--	--	--	--
HFRX Equity Hedge Index	1.4%	2.0%	6.7%	8.1%	5.3%	-1.1%	0.0%	-0.8%	-1.3%	0.3%
Russell 3000	3.7%	6.3%	21.3%	21.6%	25.8%	16.8%	15.3%	10.6%	6.1%	8.1%
MSCI ACWI	5.2%	7.9%	14.4%	17.7%	19.3%	10.2%	9.8%	7.7%	4.0%	7.9%
K2	3.1%	4.4%	10.9%	13.2%	11.5%	6.1%	--	--	--	--
HFRX Equity Hedge Index	1.4%	2.0%	6.7%	8.1%	5.3%	-1.1%	0.0%	-0.8%	-1.3%	0.3%
Russell 3000	3.7%	6.3%	21.3%	21.6%	25.8%	16.8%	15.3%	10.6%	6.1%	8.1%
MSCI ACWI	5.2%	7.9%	14.4%	17.7%	19.3%	10.2%	9.8%	7.7%	4.0%	7.9%
Real Estate Composite	3.7%	3.6%	10.8%	13.5%	12.6%	13.5%	13.5%	8.8%	2.7%	9.5%
Custom Real Estate Benchmark	0.0%	0.0%	6.1%	8.3%	9.4%	11.9%	12.7%	5.8%	1.8%	8.7%
NFI	0.0%	0.0%	6.1%	8.3%	9.4%	11.9%	10.4%	-0.9%	2.0%	5.7%
American Realty Advisors	3.1%	3.1%	8.7%	11.2%	10.8%	--	--	--	--	--
NFI	0.0%	0.0%	6.1%	8.3%	9.4%	11.9%	10.4%	-0.9%	2.0%	5.7%
Morgan Stanley	3.9%	3.9%	12.4%	15.4%	13.6%	15.3%	--	--	--	--
NFI	0.0%	0.0%	6.1%	8.3%	9.4%	11.9%	10.4%	-0.9%	2.0%	5.7%
UBS	2.8%	2.5%	7.0%	8.8%	--	--	--	--	--	--
NFI	0.0%	0.0%	6.1%	8.3%	9.4%	11.9%	10.4%	-0.9%	2.0%	5.7%
Infrastructure Composite	1.1%	1.6%	3.3%	6.0%	7.7%	7.9%	--	--	--	--
CPI +4%	0.3%	1.1%	4.9%	5.1%	5.4%	6.2%	6.0%	5.3%	6.1%	6.4%
IFM	2.0%	3.1%	7.7%	9.5%	9.8%	9.8%	--	--	--	--
CPI +4%	0.3%	1.1%	4.9%	5.1%	5.4%	6.2%	6.0%	5.3%	6.1%	6.4%
J.P. Morgan	0.0%	0.0%	-1.5%	2.1%	5.3%	--	--	--	--	--
CPI +4%	0.3%	1.1%	4.9%	5.1%	5.4%	6.2%	6.0%	5.3%	6.1%	6.4%

Total Fund Composite

Fee Schedule

Market Value: \$1,804.3 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Fixed Income	J.P. Morgan	0.20% on the first \$100 million 0.15% on the Balance	0.17% \$510,487	0.24%
Core Fixed Income	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$29,653	0.08%
Large-Cap Value	Boston Partners	0.40% on the first \$15 million 0.30% on the next \$25 million 0.20% on the next \$25 million 0.15% on the next \$35 million 0.10% on the Balance	0.19% \$282,865	0.46%
Large-Cap Core	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$48,530	0.09%
Mid-Cap Growth	Artisan Partners	0.80% on the first \$50 million 0.60% on the next \$50 million 0.50% on the Balance	0.76% \$466,246	0.68%
Mid-Cap Growth	Geneva Capital	0.55% on the Balance	0.55% \$271,265	0.78%
Small-Cap Value	iShares Russell 2000 Value Index	0.25% on the Balance	0.25% \$131,798	0.83%
Small-Cap Value	Fiduciary Management	0.70% on the first \$10 million 0.65% on the next \$40 million 0.60% on the next \$25 million 0.50% on the Balance	0.66% \$354,368	0.83%
Non-U.S. All-Cap Core	NTGI ACWI Ex-US	0.08% on the Balance	0.08% \$82,928	0.75%
Non-U.S. Large-Cap Core	Barings	0.75% on the Balance	0.75% \$886,358	0.68%
Non-U.S. Small-Cap Value	GMO Small-Cap	0.75% on the Balance	0.75% \$690,195	1.16%
Emerging Markets	Barings EM	0.75% on the Balance	0.75% \$420,702	0.92%
Hedged Equity Hedge FoF	ABS	0.85% on the Balance *redemptions quarterly with 45 days notice	0.85% \$848,909	1.37%
Hedged Equity Hedge FoF	K2	0.90% on the Balance *redemptions quarterly with 91 days notice	0.90% \$877,022	1.37%

Total Fund Composite

Fee Schedule

Market Value: \$1,804.3 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Real Estate	American Realty Advisors	0.95% on the Balance	0.95% \$332,055	1.03%
Core Real Estate	Morgan Stanley	0.90% on the Balance	0.90% \$1,002,990	1.03%
Core Real Estate	UBS	0.955% on the first \$10 million 0.825% on the next \$15 million 0.805% on the next \$25 million 0.79% on the next \$50 million 0.67% on the next \$150 million 0.60% on the Balance	0.90% \$151,592	1.03%
Core Infrastructure	IFM	1.25% on the Balance Performance Fee: 20% of return above 8% on a rolling three year basis	1.25% \$898,977	1.80%
Core Infrastructure	J.P. Morgan	1.50% on the first \$50 million 1.55% on the Balance Performance Fee: 15% with 7% Hurdle (six year soft lock, effective lock 4.5 years)	1.51% \$907,635	1.80%
Private Equity	Adams Street	0.67% on the first \$50 million 0.60% on the Balance 10% carry on secondaries and co-invest (Effective Rate Over 15 Yr Term)	0.67% \$215,909	1.11%
U.S. Private Equity FoF	Siguler Guff	0.69% on commitment	2.86% \$276,000	4.61%
Cash Overlay	BNY Beta Management	0.025% on the Balance	0.03% \$8,616	0.20%
Total Investment Management Fees			0.54% \$9,695,101	0.77%
Custodian	BNY Mellon	\$50,000 Flat Annual Fee	\$50,000	N/A
Total Fund			0.54% \$9,745,101	

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Month End.

² Source: 2010 Marquette Associates Investment Management Fee Study.